

CALIFORNIA ASSOCIATION OF PORT AUTHORITIES

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March 8, 2013

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Investment Plan for Auction Proceeds from Cap-and-Trade Program

Dear Chairwoman Nichols and Board Members:

On behalf of the California Association of Port Authorities, we thank you for the opportunity to provide comments relating to the development of a statewide investment plan for auction proceeds from the Cap-and-Trade program.

The California Association of Port Authorities (CAPA) is comprised of the state's eleven publicly-owned, commercial ports and is dedicated to maintaining a vigorous and vital port industry in California. The Association, which has been in existence since 1940, is committed to promoting the interests of California's ports, maintaining the state's leading role in the maritime industry, and leading the way in innovative and cutting edge environmentally-friendly port operations.

California is home to three of the largest ports in the nation, the ports of Oakland, Long Beach, and Los Angeles. In addition, we are blessed with eight smaller niche ports which provide critical facilities and services that benefit many regions across the state. California ports represent not only some of the largest port facilities in the nation, providing tremendous economic benefit to our local, regional, state, and national economies; but also some of the very cleanest ports in the world. Over the last decade in particular, California ports have been fundamentally focused on improving environmental conditions in and around our port facilities and on implementing innovative and exciting green port operations and environmental improvement programs that significantly exceed state and national standards.

For example, the Ports of Long Beach and Los Angeles, which together comprise the largest port complex in the nation, have jointly adopted their Clean Air Action Plan which outlines a comprehensive approach to mitigating the air quality impacts of goods movement activities. Between 2005 and 2010, through aggressive implementation of the Clean Air Action Plan, the San Pedro Bay ports reduced PM_{2.5} by 70%, reduced PM₁₀ by 69%; reduced NO_x emissions by 50%; and reduced SO_x emissions by 75%. The Port of Oakland has adopted a Maritime Air Quality Improvement Plan which has a goal of reducing the community health risk related to diesel particulate matter emissions associated with the Port's maritime operations by 85% from 2005 to 2020. In addition to shorepower programs at our large port facilities, a number of our smaller ports, including the ports of Hueneme, San Diego and San Francisco, are engaged in implementing "cold ironing" programs to allow vessels to plug into the electricity grid while at berth instead of running their diesel-powered auxiliary engines. The availability of funding from Cap-and-Trade proceeds for innovative and promising air quality improvement programs could provide opportunities for significant additional emissions reductions related to freight. The Ports of Long Beach and Los Angeles, for example, are actively engaged in a collaborative effort, known as the Zero Emissions Roadmap, which includes the identification and demonstration of zero-emission technologies for use in port operations.

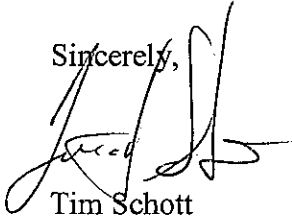
Our association believes that significant green house gas (GHG) emissions reductions from the goods movement sector are achievable even as we continue to grow the economic benefit of international trade and commerce. In fact, our public ports have proved that this is possible. But it is an expensive endeavor and we must balance ambitious air quality improvement programs with the need to remain a viable and desirable international gateway in the highly competitive world of international trade.

We strongly believe that auction revenues derived from fuels should be used to implement AB 32 GHG reductions from the transportation sector, including from the goods movement sector. Significant strategic investments in our state's transportation infrastructure, including our freight infrastructure, will not only significantly reduce GHG emissions, but can also benefit local communities and public health; provide additional local and regional equity; improve the safety, efficiency and utility of our overall transportation system; and improve the economic well-being of all Californians. Our public ports are poised to continue their very successful and ambitious air quality improvement programs and we highly recommend that the statewide investment plan for auction proceeds from the Cap-and-Trade program include significant investment in the state's freight infrastructure as well as innovative goods movement-related air quality improvement programs.

California's ports are proud of their efforts to protect our environment. And those efforts have had real, visible and lasting benefits. Although much remains to be done, our ports have adopted ambitious plans and are implementing aggressive programs to protect and enhance air quality, to facilitate water quality protection, and to expand wildlife and habitat conservation.

We look forward to working with the California Air Resources Board as the investment plan for Cap-and-Trade auction proceeds is developed. We appreciate your invitation to comment on the plan and stand ready to work with you and other interested parties to reduce GHG emissions and continue to improve our state's air quality.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Schott', written over the word 'Sincerely,'.

Tim Schott
Executive Director

cc: Ana Matosantos
Director, Department of Finance

Brian Kelly
Acting Secretary Business, Transportation and Housing Agency